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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 7, 2016

Spent Hansen  
Northstar Mines, LLC  
35 Mammoth Street  
P.O. Box 190  
Eureka, Utah 84628

Subject: Deficient Application for Bond Release and Modification of Cessation Order MC-2016-42-09, Northstar Mines, LLC, Blackjack Mine, S/023/0106; Juab County, Utah

Dear Mr. Hansen:

This letter addresses, first, the application for bond release received from Northstar Mines LLC, and, second, issues associated with increasing the disturbed area acreage for the Blackjack mine.

### Bond Release

The Division of Oil, Gas and Mining (Division) has reviewed the referenced application for bond release. Because the areas for which release were requested are outside of the bonded area, the Division cannot reduce the bond for these areas. On the map included with the package dated July 16, 2015, and received July 19, 2016, there is an area shown in red as "Permit Area to be reclaimed." The designated areas in red do not cover the entire disturbance outside of the proposed 9.98 acres that was disturbed as shown on aerial images when comparing 2006 and 2015 photos. All disturbed areas associated with mining need to be accounted for.

The bond release application requests release of 2.49 acres "southwest area of bonded acreage where no mining is intended." Based on aerial images, there are at least 4.5 acres to the south and east of the proposed bonded area that need to be reclaimed.

### Increase in Disturbed Area

A letter from Northstar dated July 16, 2016, and received by the Division July 19, 2016, says Northstar proposes to modify its small mine permit by increasing the acreage from six to 9.98 acres and reclaiming a portion of the small mine permit. Please note that the current permitted area is five acres rather than six.



The map included with this submittal does not include all of the area affected by the mine. It includes the current permitted disturbed area, additional areas that would be added to the permitted area, and areas that would be reclaimed, but the loadout needs to be included as part of the mine disturbance.

**The Division hereby modifies cessation order MS-2016-42-09 as follows:**

By October 3, 2016, The Division must receive additional reclamation surety in the amount of \$67,200.00 for a three-year escalation or \$68,500.00 for a five-year escalation. This is an increase of \$37,700.00 or \$39,000.00 from the surety of \$29,500.00 which the Division currently holds. These figures assume a disturbed area of ten acre as discussed in the June 16, 2016, letter.

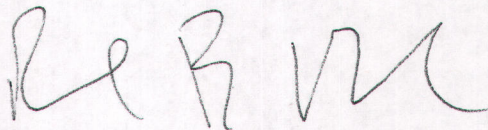
The following items must be completed by December 16, 2016:

1. The Notice of Intention to Commence Small Mining Operations (NOI) must be updated to show disturbances that will be used in association with ongoing mining operations and must also show any areas that are reclaimed. The maps and associated text, including acreage figures, need to correspond.
2. Disturbed areas in excess of ten acres must be regraded and seeded.

Alternatively, you may submit a Notice of Intention to Commence Large Mining Operations by December 16, 2016. In this case, the surety amount must be increased to \$68,500.00 plus \$5700.00 for each acre in excess of ten. This would be considered an interim amount which would be adjusted based on site-specific calculations.

Please call Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions regarding this letter. In reply, please refer to file number S/023/0106. Thank you for your cooperation.

Sincerely,



Paul B. Baker  
Minerals Program Manager